

REVISION TO THE DMO FINANCING REMIT 2022-23

1. The DMO's financing remit has been revised today following publication by the Office for National Statistics of the 2021-22 outturn Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley, and Network Rail) (CGNCR (ex NRAM, B&B, and NR)). The details are below.

The DMO's revised Net Financing Requirement (NFR) in 2022-23¹

2. The revised NFR for the DMO in 2022-23 is forecast to be £161.7 billion; this represents an increase of £13.8 billion compared with the forecast published at the Spring Statement 2022. The increase in the NFR will be financed by:
 - Additional gilt sales of £6.8 billion, taking planned gilt sales in 2022-23 to £131.5 billion; and
 - Additional net sales of Treasury bills for debt management purposes of £7.0 billion, taking planned net sales in 2022-23 to £30.2 billion and the planned stock at end-March 2023 to £67.0 billion.
3. The £13.8 billion increase in the NFR in 2022-23 reflects:
 - The outturn CGNCR (ex NRAM, B&B, and NR) in 2021-22, which, at £129.2 billion, is £20.0 billion higher than the forecast published at the Spring Statement 2022;
 - NS&I's Net Financing provisional outturn for 2021-22 of £4.5 billion, £0.5 billion higher than the forecast published at the Spring Statement 2022. NS&I will publish the final audited outturn figure in its 2021-22 Annual Report and Accounts, which are due to be laid before Parliament this summer; and
 - A contribution to financing in 2021-22 of £6.0 billion from other items², £5.7 billion higher than the forecast published at the Spring Statement 2022.
4. The revised financing arithmetic for 2021-22 and 2022-23 is at Annex A.

Planned gilt sales

5. The split of the £6.8 billion increase in planned gilt sales, in absolute and proportionate terms, is shown in Table 1 below. Planned green gilt sales in 2022-23 are unchanged at £10.0 billion; these will form part of the medium and long conventional gilt issuance programmes.

¹ Figures in this announcement may not sum due to rounding.

² These comprised financing through non-governmental deposits, revenue from coinage, certificates of tax deposit and foreign exchange transactions relating to the Exchange Equalisation Account.

Table 1: Changes to planned gilt sales in 2022-23

	Spring Statement 2022	April revision	April revision vs Spring Statement
(£bn)			
Short	37.1	39.4	+2.3
Medium inc. green	26.5	28.1	+1.6
Long inc. green	35.5	37.3	+1.8
Index-linked	18.6	19.7	+1.1
Unallocated	7.0	7.0	0.0
Total gilts	124.7	131.5	+6.8
(%)			
Short	29.8%	30.0%	+0.2%
Medium inc. green	21.2%	21.4%	+0.2%
Long inc. green	28.5%	28.4%	-0.1%
Index-linked	14.9%	15.0%	+0.1%
Unallocated	5.6%	5.3%	-0.3%

Gilt auctions

6. Four additional gilt auctions, one of each type and maturity of gilt, will be scheduled, taking the number of planned gilt auctions in 2022-23 to 47 (12 short, 11 medium, 14 long and 10 index-linked). No changes are being made to the announced gilt auction calendar for April to June 2022.
7. The DMO is, however, today adding five additional gilt auction supply dates to its planned calendar, but please note that one of the new or existing planned conventional auction dates in Q2 2022-23 is expected to be cancelled and replaced with a syndication for a conventional gilt. However, there is no change to the overall number of syndications in 2022-23 (see paragraph 9 below).
8. Options and market preferences in this respect will be discussed at the next round of quarterly consultation meetings with market participants, currently scheduled to take place on Monday 23 May 2022:
 - Tuesday 5 July: conventional
 - Tuesday 2 August: conventional
 - Tuesday 23 August: index-linked
 - Tuesday 4 October: conventional
 - Tuesday 1 November: conventional

The revised provisional gilt auction calendar for July 2022 to March 2023 is at Annex B.

Gilt syndications

9. There are no changes to the planned syndication programme in 2022-23. Gilt sales by syndication of £21.0 billion are planned (approximately £13.0 billion of long conventional gilts in three transactions and approximately £8.0 billion of index-linked gilts in two transactions).

Unallocated gilt sales

10. There is no change to the size of the unallocated portion of gilt issuance, which remains at £7.0 billion. The currently planned split of issuance is shown at Table 2 below.

Table 2: Currently planned split of gilt issuance by type, maturity and issuance method in 2022-23

	Auction	Syndication	Gilt tender	Unallocated	Total
Short conventional £ billion	39.4				39.4 30.0%
Medium conventional¹ £ billion	28.1				28.1 21.4%
Long conventional² £ billion	24.3	13.0			37.3 28.4%
Index-linked £ billion	11.7	8.0			19.7 15.0%
Unallocated £ billion				7.0	7.0 5.3%
Total £ billion	103.5	21.0	0.0	7.0	131.5
Total per cent	78.7%	16.0%	0.0%	5.3%	
<i>Figures may not sum due to rounding.</i>					
¹ Including green gilt sales.					
² Including green gilt sales.					

26 April 2022

ANNEX A: Revised financing arithmetic 2021-22 and 2022-23

Financing arithmetic April 2022 outturn (£billions)	2021-22 Outturn	2022-23 April update
CGNCR (ex NRAM, B&B, and NR) ¹	129.2	94.3
Gilt redemptions	79.3	107.1
Financing adjustment carried forward from previous financial years ²	-58.8	-33.1
Gross Financing Requirement	149.7	168.4
<i>Less:</i>		
NS&I net financing	4.5	6.0
NS&I Green Savings Bonds	0.3	-
Sale of UK sovereign Sukuk	0.5	n.a.
Other financing ³	6.0	0.7
Net Financing Requirement (NFR) for the DMO	138.4	161.7
DMO's NFR will be financed through:		
Gilt sales, through sales of:		
- Short conventional gilts	52.7	39.4
- Medium conventional gilts (including green gilts) ⁴	55.2	28.1
- Long conventional gilts (including green gilts) ⁵	60.4	37.3
- Index-linked gilts	26.3	19.7
- Unallocated amount of gilts	0.0	7.0
Total gilt sales for debt financing	194.7	131.5
Total net contribution of Treasury bills for debt financing	-23.2	30.2
Total financing	171.5	161.7
DMO net cash position	35.4	2.3
<i>Figures may not sum due to rounding.</i>		
¹ Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley and Network Rail).		
² The -£58.8 billion financing adjustment in 2021-22 carried forward from previous years reflects the 2020-21 outturn for the CGNCR (ex NRAM, B&B, and NR), as first published on 23 April 2021. The -£33.1 billion financing adjustment in 2022-23 is the amount required to reduce the estimated DMO cash position at end-March 2023 to £2.3 billion.		
³ This financing item is typically comprised of estimated income from coinage and unhedged reserves.		
⁴ Including green gilt sales of £10.0 billion in 2021-22 and planned green gilt sales in 2022-23.		
⁵ Including green gilt sales of £6.1 billion in 2021-22 and planned green gilt sales in 2022-23.		

ANNEX B: Revised provisional gilt auction calendar – July 2022 to March 2023³

Date	Gilt type
5 July 2022	Conventional
12 July 2022	Conventional
19 July 2022	Conventional
21 July 2022	Conventional
27 July 2022	Index-linked
2 August 2022	Conventional
9 August 2022	Conventional
16 August 2022	Conventional
23 August 2022	Index-linked
1 September 2022	Conventional
6 September 2022	Conventional
7 September 2022	Conventional
20 September 2022	Conventional
27 September 2022	Index-linked
4 October 2022	Conventional
12 October 2022	Conventional
18 October 2022	Conventional
25 October 2022	Index-linked
1 November 2022	Conventional
8 November 2022	Conventional
15 November 2022	Conventional
1 December 2022	Conventional
6 December 2022	Conventional
7 December 2022	Index-linked
13 December 2022	Conventional
5 January 2023	Conventional
10 January 2023	Conventional
17 January 2023	Conventional
24 January 2023	Index-linked
1 February 2023	Conventional
7 February 2023	Conventional
14 February 2023	Conventional
21 February 2023	Conventional
1 March 2023	Index-linked
7 March 2023	Conventional
14 March 2023	Conventional
21 March 2023	Conventional
28 March 2023	Index-linked

³ Please note that one of the new or existing conventional gilt auction dates in Q2 2022-23 is expected to be cancelled and replaced with a syndication for a conventional gilt.